

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below		See below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB871 provides for the preparation of a fiscal note on a bill request draft at the request of a member of the Legislature. Once a request is submitted the process would be similar to preparation of fiscal notes on introduce bills as required by current legislative rules.

According to the Revisor of Statutes, there are approximately 50% more bill requests than actual bills introduced. Based on bill introductions in the 2013-2014 Legislature, that would be approximately 560 additional fiscal notes if there is a fiscal note request for each bill request in addition to the 1115 actual bill introductions. There could also be additional drafts if the results of the first fiscal note lead to changes in the draft legislation and a second request for a fiscal note.

The timing of the requests can be as significant as the number with respect to the fiscal impact. If the draft fiscal note requests occurred through the summer and fall, it would be more likely that the additional workload could be absorbed by existing staff. However if a large number of requests are submitted in a short period of time, compliance with the 10 day requirement (5 days for agencies) would be difficult to do with existing staff. Prior to a 90 day legislative session, half the Legislature is up for election which would likely concentrate most of the requests into the November and December time period. Also the 10 day requirement is significantly less than the existing legislative rules. Under the rules, fiscal notes on introduced bills must be completed at least 24 hours prior to the hearing. While some fiscal notes are required to be completed within 10 days, in a 90 day session, there could be up to 45-55 working days from the date of introduction of the bill to the hearing as the hearing schedule stretches over a 3 month period. This compressed schedule could potentially apply to not just the additional drafts but also to all the bill requests which subsequently are then introduced as bills.

In summary, the fiscal impact of this bill can vary significantly depending on the number of requests that are submitted and the timing of requests which cannot be predicted accurately. If there are only a few requests that occur throughout the summer and fall, there would be no additional costs. However, if a fiscal note request is submitted for 1,500 bill requests and all occur in a short period of time in December, there could be a substantial cost for additional staffing to handle the compressed workload. This would apply to not just the Legislative Fiscal Office but also the budget division of the Department of Administrative Services and a variety of state agencies who would be required to prepare a large number of fiscal notes.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 871	AM:	AGENCY/POLT. SUB: Department of Insurance	
REVIEWED BY: Lyn Heaton		DATE: 1/28/2014	PHONE: 402.471.4181
COMMENTS: It is reasonable to assume that there will be some increased workload for the Department of Insurance, as well as many other state agencies, boards, and commissions, due to the requirement for them to conduct fiscal impact analysis of legislative bill request drafts during the interim period between legislative sessions. The additional workload is highly dependent on the number of requests, how often the bill request drafts are revised (which may initiate a new fiscal analysis request), the complexity of the legislative proposal, and other factors.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 871	AM:	AGENCY/POLT. SUB: Department of Labor
REVIEWED BY: Lyn Heaton	DATE: 1/28/2014	PHONE: 402.471.4181
<p>COMMENTS: It is reasonable to assume that there will be some increased workload for the Department of Labor, as well as many other state agencies, boards, and commissions, due to the expectation for them to conduct fiscal impact analysis of legislative bill request drafts during the interim period between legislative sessions. The additional workload is highly dependent on the number of requests, how often the bill request drafts are revised (which may initiate a new fiscal analysis request), the complexity of the legislative proposal, and other factors.</p>		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 871	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Lyn Heaton	DATE: 1/29/2014	PHONE: 402.471.4181
<p>COMMENTS: It is reasonable to assume that there will be some increased workload for the Department of Revenue, especially in light of the complex nature of tax policy, due to the requirement to conduct fiscal impact analysis of legislative bill request drafts during the interim period between legislative sessions. The amount of the additional workload is highly dependent on the number of requests, how often the bill request drafts are revised (which may initiate a new fiscal analysis request), the complexity of the legislative proposal, and other factors.</p>		

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2014

LB⁽¹⁾ 871

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Department of Insurance

Prepared by: ⁽³⁾ Krystle Ledvina Garcia

Date Prepared: ⁽⁴⁾ 1/28/2014

Phone: ⁽⁵⁾ (402) 471-4637

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$65,500		\$65,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$65,500</u>	<u>0</u>	<u>\$65,000</u>	<u>0</u>

Explanation of Estimate:

LB871's impact will be determinate on how many state senators would request fiscal notes. Because no limitation or cap on the amount of requests exists in LB 871, the impact could be minimal or the impact could be significant depending on the number of requests made. There are forty-nine senators that all may have separate bill request drafts in progress at the same time. In addition, bill drafts often go through several revisions and this bill as proposed has no qualifying amount for how many fiscal notes a department would have to complete. Given the short time frame, collaboration, and research required to complete the fiscal notes, the Department anticipates that additional staff will need to be hired. An Attorney II currently collects information, reviews and researches bills, and discusses the impact with administrators within the affected departments. While new bills are being introduced, the majority of the attorney's time is spent researching, preparing, and revising fiscal notes. As the proposed bill allows a member of the Legislature to request an infinite number of fiscal notes from the Department at any time, these additional duties will necessitate the hiring of an additional Attorney II. While other divisions/staff are consulted regularly about the fiscal impact of potential legislation, the department did not include a fiscal impact for that review and analysis.

As this bill creates new duties imposed by the State, these costs are not chargeable to the insurers. As such, cash funds should not be used for these expenditures and appropriations should come from the general funds.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Attorney II	1	1	\$50,000	\$52,000
Benefits.....			\$13,000	\$13,000
Operating.....			\$2,500	
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$65,500</u>	<u>\$65,000</u>

Please complete ALL (5) blanks in the first three lines.

2014

LB⁽¹⁾ 871

**FISCAL
NOTE**

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Labor

Prepared by: ⁽³⁾ Debbie Kay Ward Date Prepared: ⁽⁴⁾ 1/24/2014 Phone: ⁽⁵⁾ 402-471-2492

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	<u>36,073</u>	_____	<u>36,402</u>	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u><u>36,073</u></u>	<u>_____</u>	<u><u>36,402</u></u>	<u>_____</u>

Explanation of Estimate: This legislative bill requires that fiscal notes can be requested year-round, not just while the legislature is in session, and fiscal notes must be returned on legislative bill request drafts within 5 business days. Due to this turnaround, the Department of Labor would not need any additional employees for the first 135 bills that are presented to the department but any bills over that amount will require the addition of a part-time Accountant II to work with the legislative fiscal analyst and will solely work on those various bills. Fiscal notes can be requested on legislative bill request drafts.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Accountant II	<u>0.25</u>	<u>0.25</u>	<u>9,428</u>	<u>9,640</u>
Benefits.....	_____	_____	<u>22,874</u>	<u>22,906</u>
Operating.....	_____	_____	<u>3,771</u>	<u>3,856</u>
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u><u>36,073</u></u>	<u><u>36,402</u></u>

